



Quincy Data & McKay Brothers

Market Data vs Private Fills

Fall 2022

Morally?

Public pressure is in favour of market data first

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- 5 Oct-20: the Dutch financial daily newspaper *Het Financieele Dagblad* published the article “Euronext provides high frequency traders with an invisible advantage”
- 7 Oct-20: Euronext made a statement “Statement in response to publications regarding public and private market data feeds” only available in Dutch
- 28 Oct-20: the European Parliament requested a written reply from the European Commission on the Euronext case “Euronext gives high-frequency traders an information advantage”
- 6 Dec-20: *Het Financieele Dagblad* published the article “Euronext adjusts trading system to prevent the use of inside information”
- 18 Dec 20: ESMA invites participants to comment on a consultation paper “MiFID II/MiFIR review report on Algorithmic Trading”
- 8 Feb-21: The European Commission answered the European Parliament
- 27 Apr-21 and 17 Jun-21: Euronext Optiq OEG outbound lag mechanism description
- 3 May-21: Euronext Info Flash: Implementation of outbound lag mechanism



Efficient?

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- Exchanges maximize revenue
- Regulators maximize investor confidence

What is practical?

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MiFID II/MiFIR review report on European Algorithmic Trading

Q52 What are your views on the relative timing of private fill confirmations and public trade messages? If you are a trading venue, please provide in your answer an explanation of the model you have in place

Proprietary trading firms (my summary)

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All Options

Citadel

Optiver

Virtu

FIA EPTA

- **Please make market data faster than fills (with possible exceptions for block trades)**
- **Whatever you end up doing please document it clearly and make it deterministic**

(.....)

Exchanges (my summary)

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LSEG

ICE

Euronext

Deutsche Boerse Group

FESE (Federation of European Stock Exchanges)

All are in favour of making public data as fast as fills, BUT...

- **Most say they favour market data first but their implementation is not fully deterministic**
- **DBG have designed their system to publish the market data first for more than 99.5%.**

One interesting complementary viewpoint

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Swedish Securities Market Associations :

“SSMA has no strong view, but we do not want any new services developed in this area. It should not open up for a new revenue stream to exchanges.”

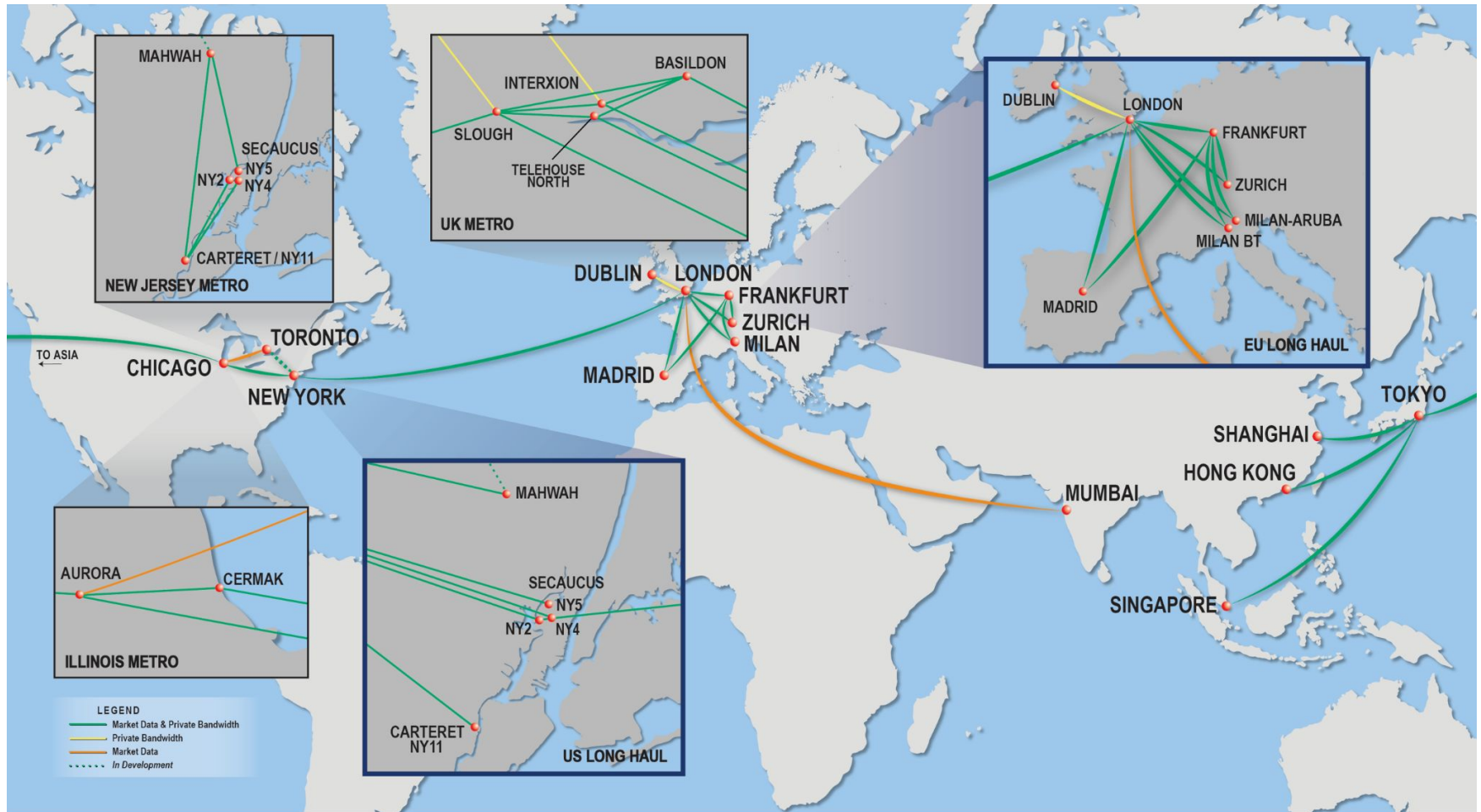
McKay & Quincy Choices

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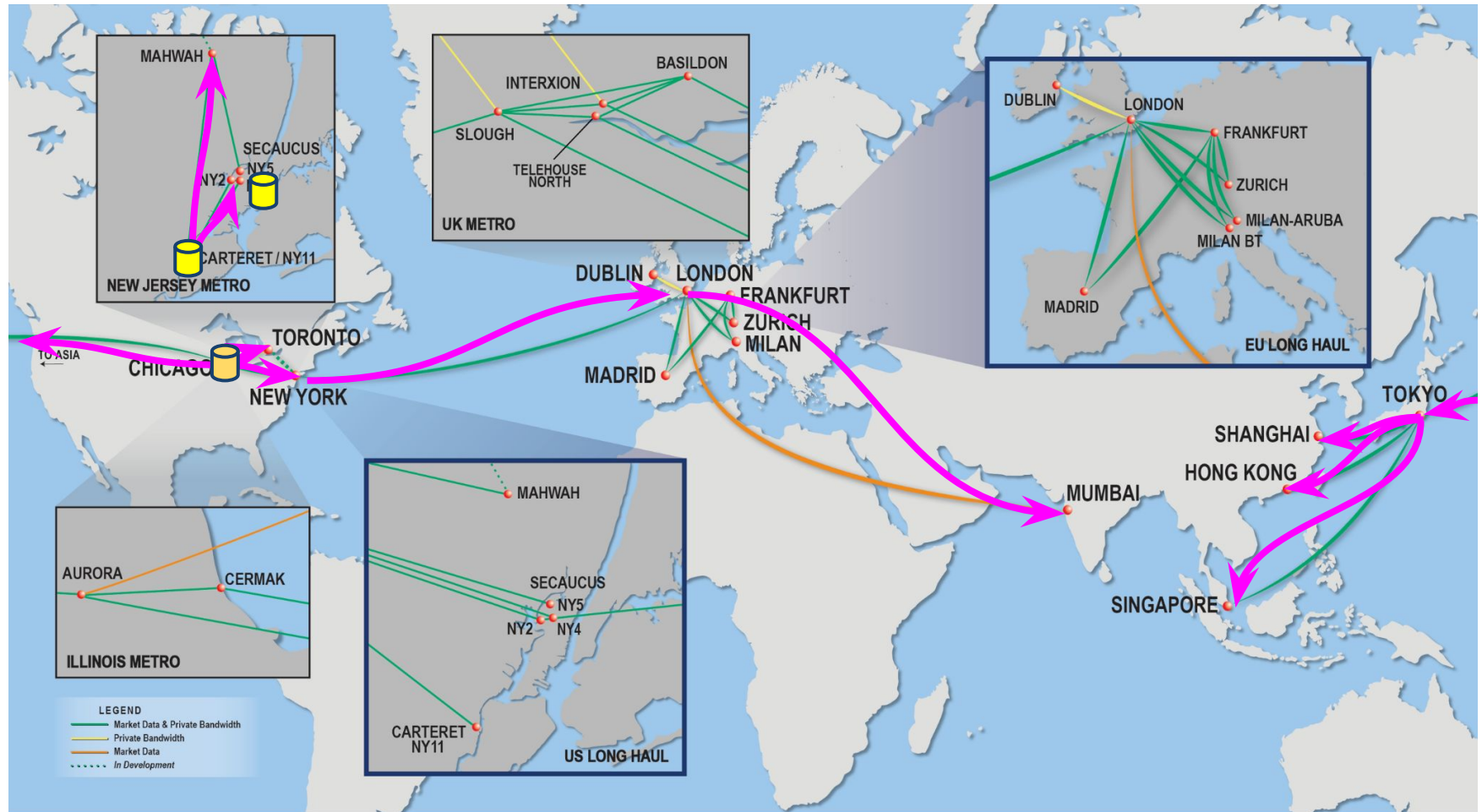
Our goal is to maximize the value of our service which we believe will help maximize our revenue.

- enable as many of our clients to win the latency race
- as many times as possible
- compared to either public or private competing networks

McKay & Quincy Choices



McKay & Quincy Choices



Asia & Transpacific

Recent Accomplishments

- IL <> Asia transpacific QED and BW services at Lowest Known Latency (except HF)
 - CME, ICE & JPX Data Packages
 - Private BW (with small handicap)

Under Development

- Additional end-points: Dalian, Zhongzhou, Shenzhen, Taiwan



QED Products	Asset Classes	Instruments
CME Group	Equity Index Futures	SP500
	Non-Dollar Equity Index Futures	Nikkei 225
	FX Futures	AUD, GBP, EUR, JPY, MXN, NZD, CHF, CNH
	Energy Futures	WTI
	Metals Futures	Gold, Silver Copper
	Crypto Futures	Bitcoin, Ethereum
	Ag Commodity Futures	Soybeans
TheICE	Equity Index Futures	MSCI Emerging Markets
	Energy Futures	Brent, WTI, Dubai 1st Line
	Softs Futures	Sugar No 11, Cotton No 2
JPX	OSE Equity Index Futures	Nikkei 225, Nikkei 225 mini, Topix, Topix mini, Nikkei 400
	OSE Gov't Bond Futures	10-yr JGB, 10-yr JGB mini
	OSE Precious Metals Futures	Gold Standard Future
	TOCOM Energy Futures	Crude Oil Future

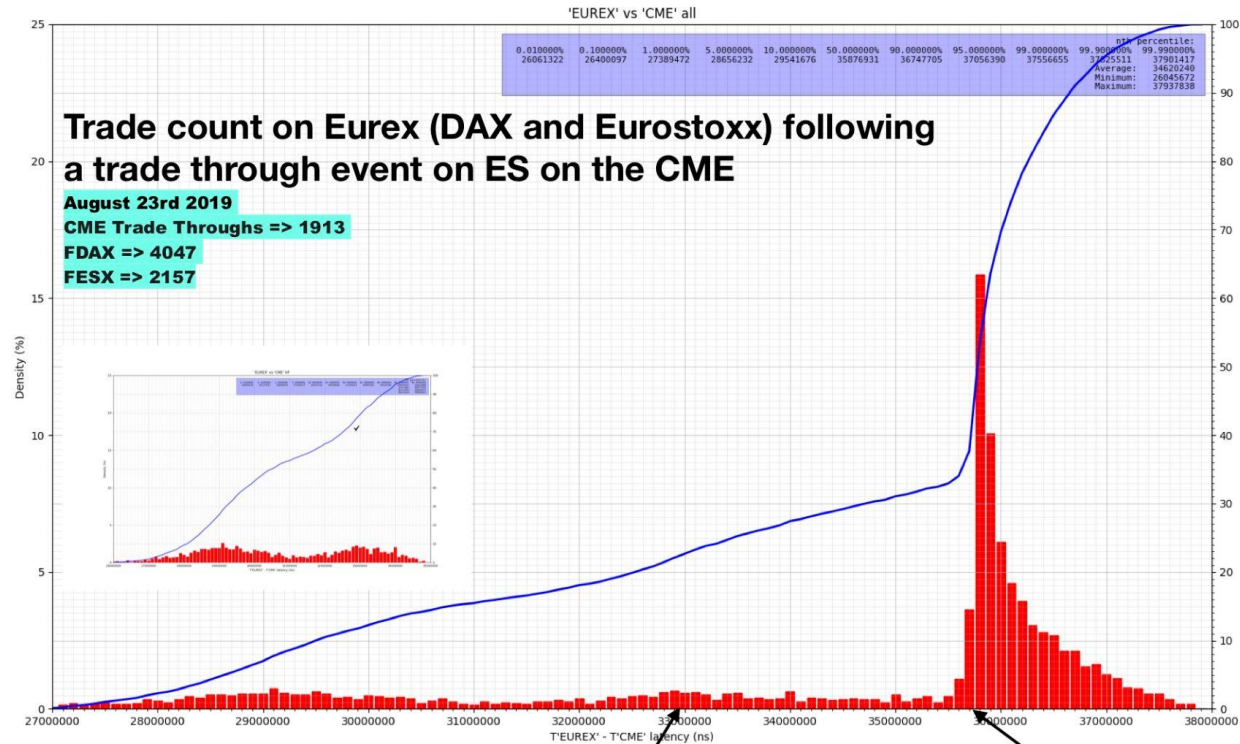


In what way is HF relevant?



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Sep 2019



Trade count on Eurex (DAX and Eurostoxx) following a trade through event on ES on the CME

August 23rd 2019
 CME Trade Throughs => 1913
 FDAX => 4047
 FESX => 2157

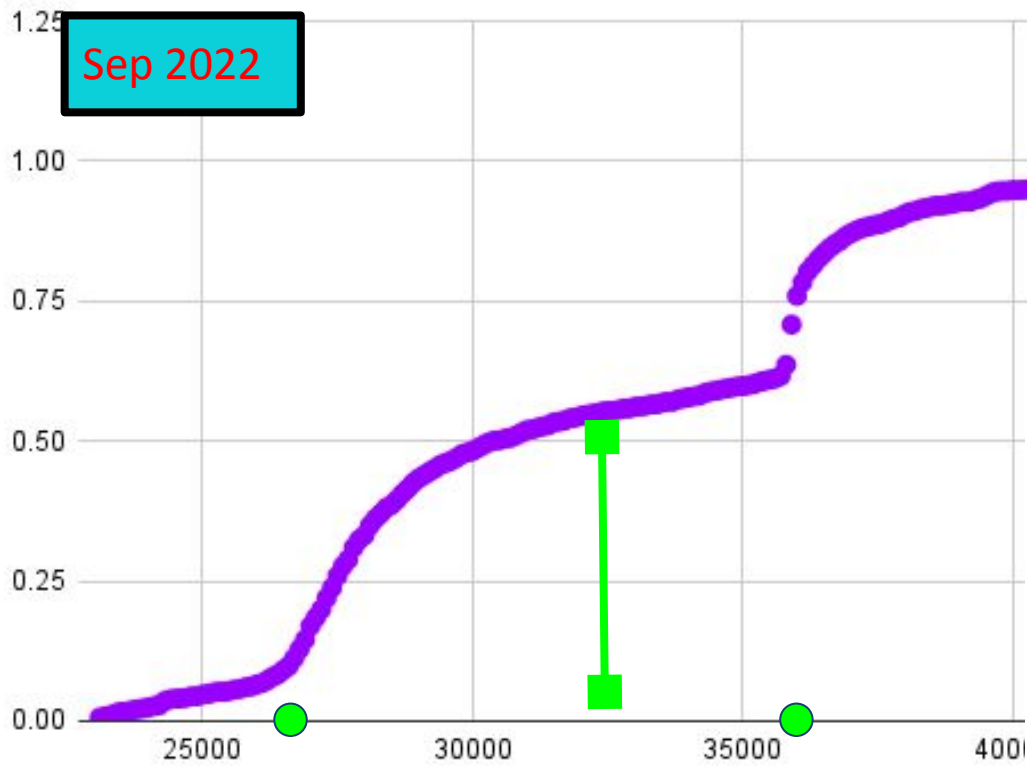
Speed of light no bounce 23.4

RAFT press release

McKay + Ultra 1 + McKay



In what way is HF relevant?

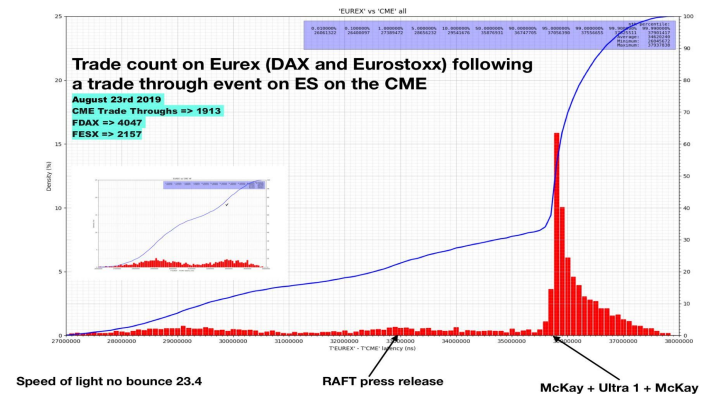


Fall 2022

Sep 2019

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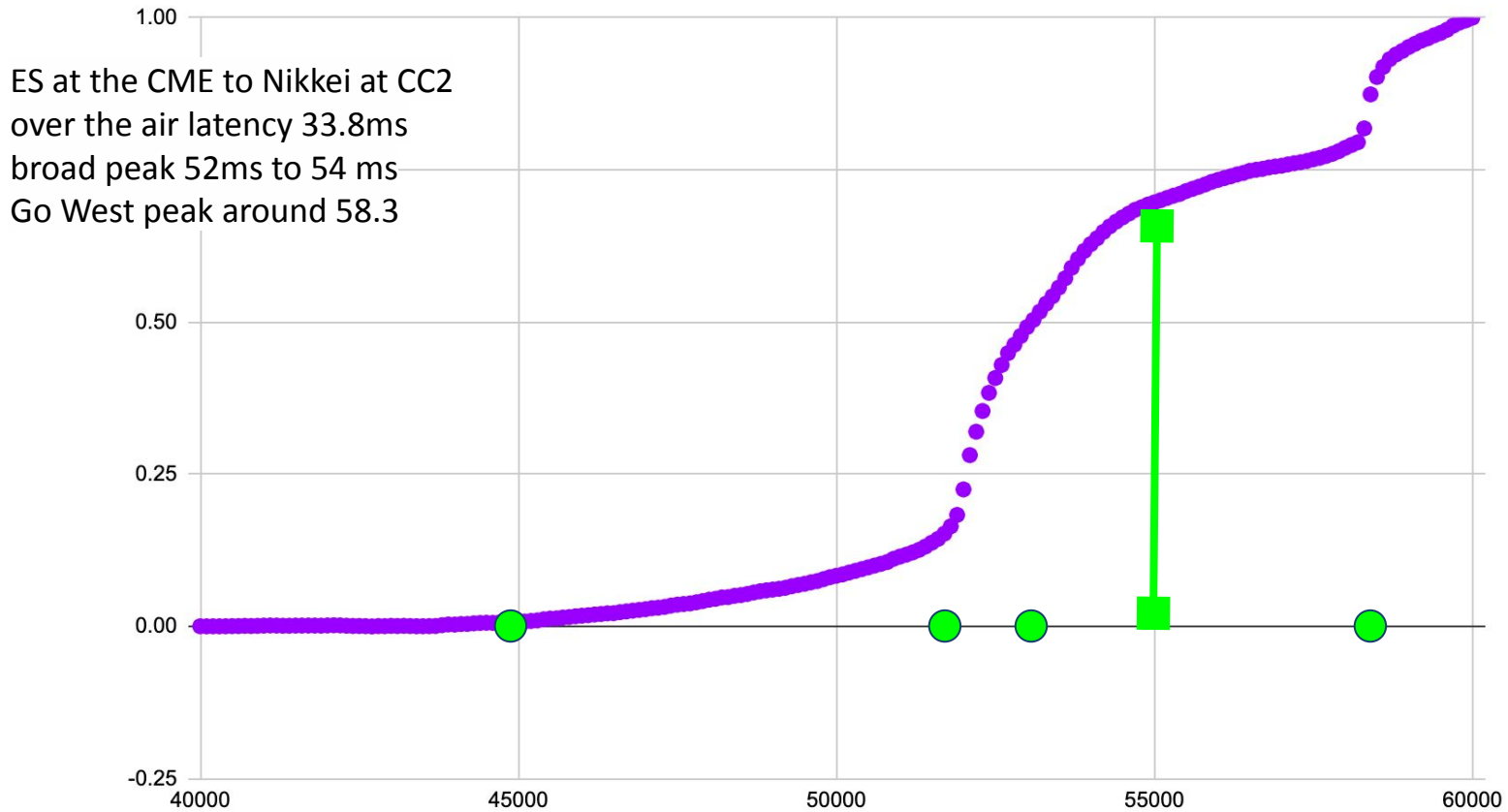
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In what way is HF relevant? Going to Asia

Sep 2022

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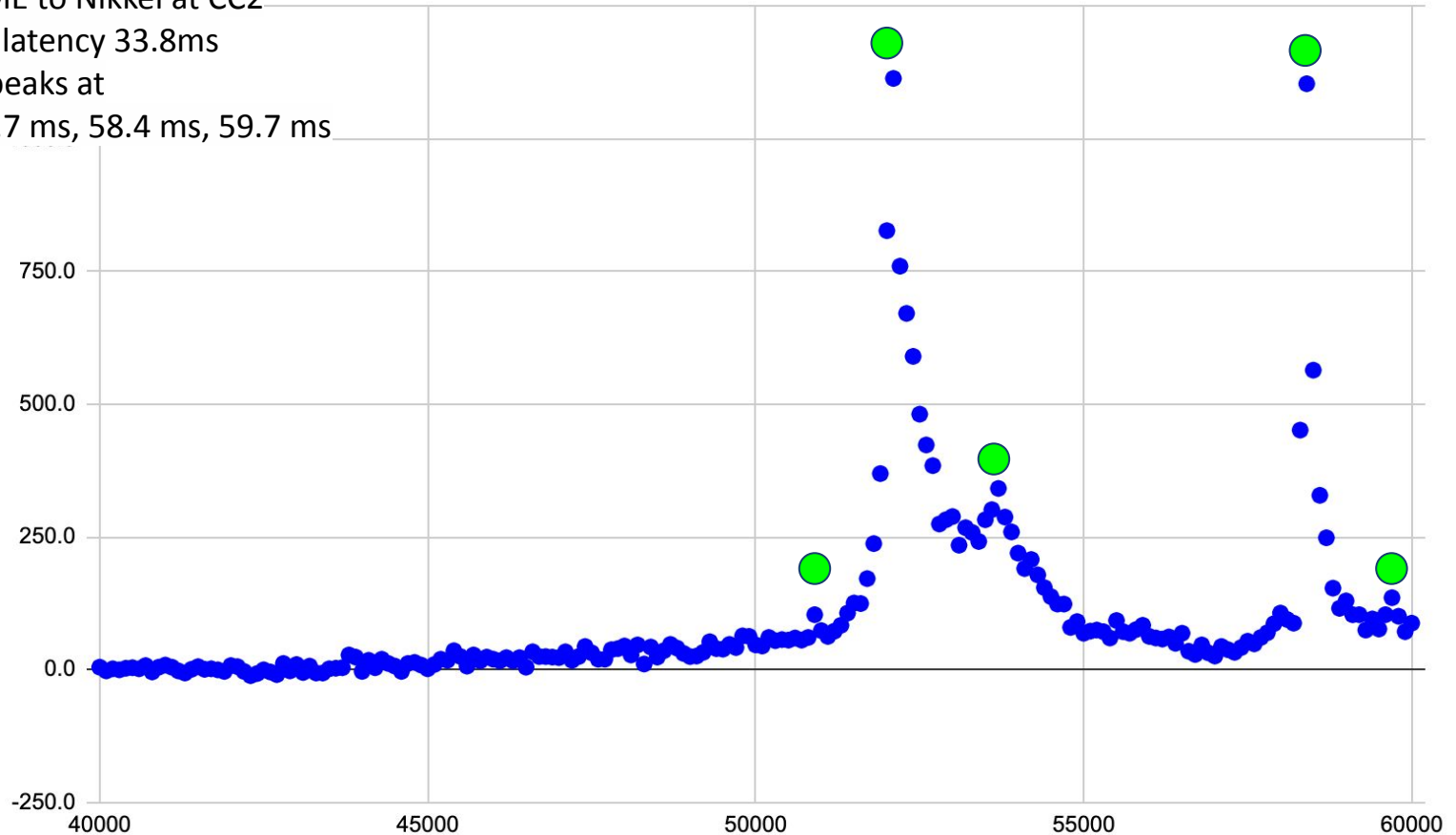


In what way is HF relevant?

Sep 2022

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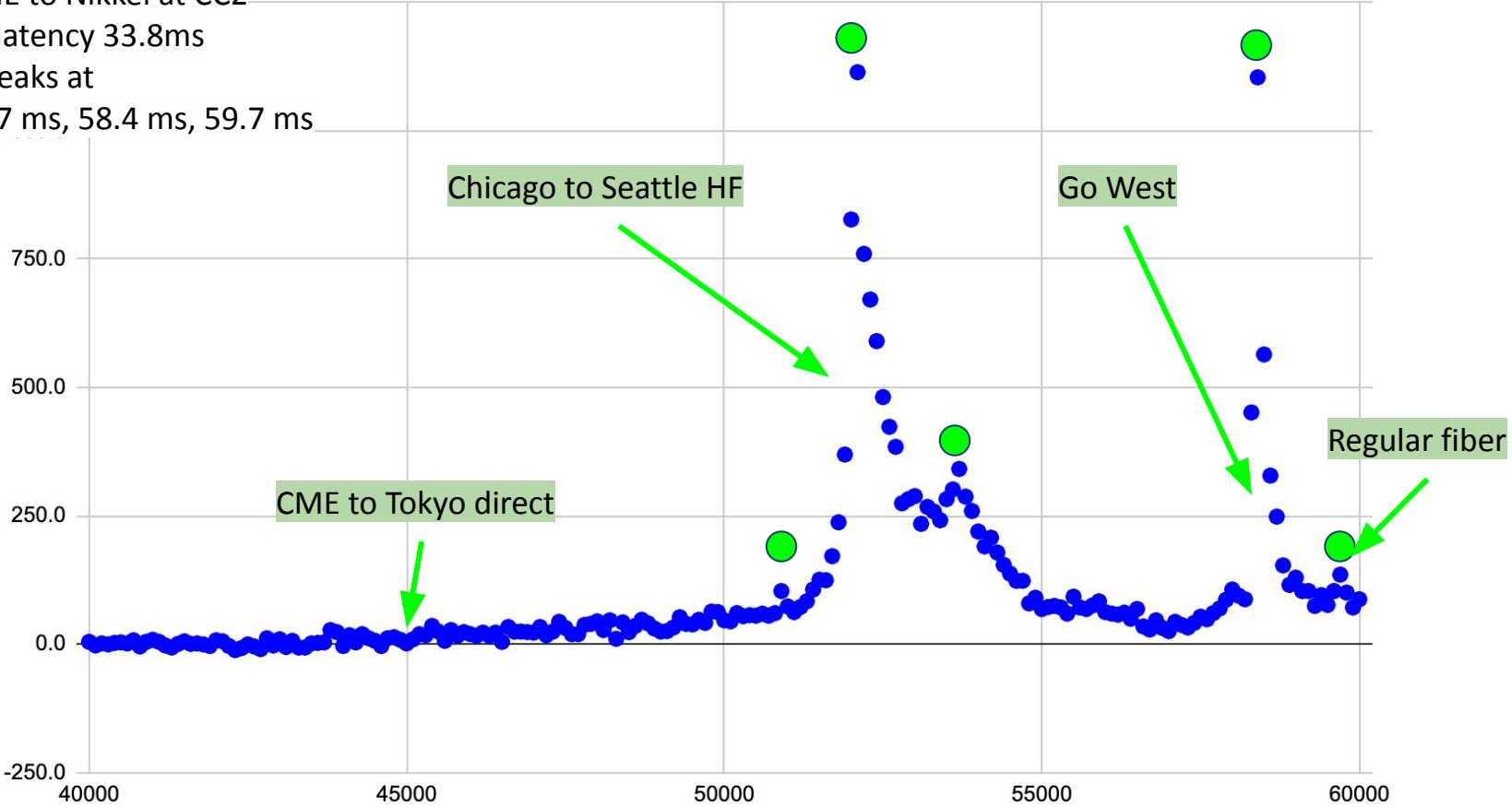
ES at the CME to Nikkei at CC2
over the air latency 33.8ms
successive peaks at
52.1 ms, 53.7 ms, 58.4 ms, 59.7 ms



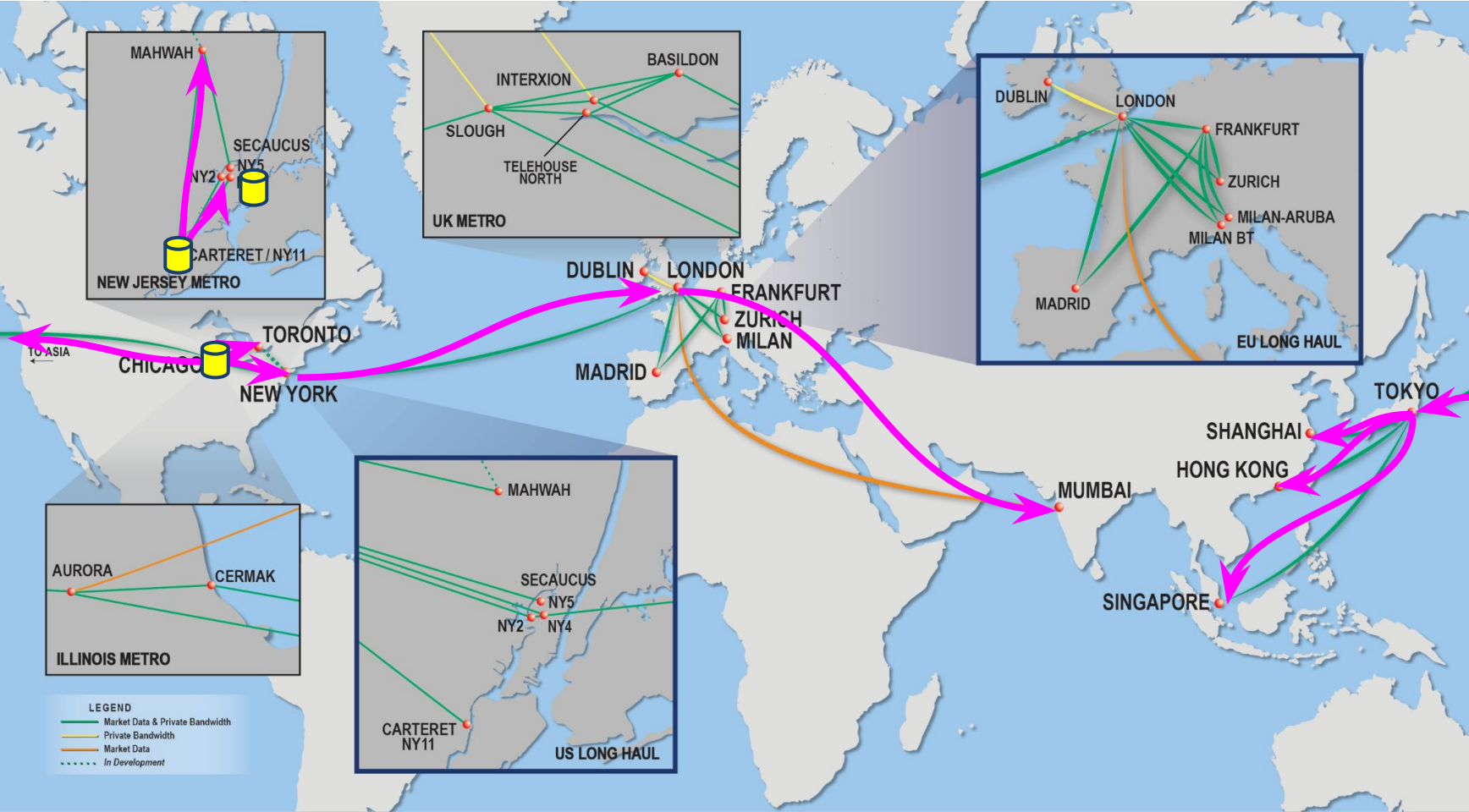
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McKay & Quincy Choices



Thank you

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